

accompanying this Petition and Reply, authorizing the deposit account transaction, is enclosed herewith.

Reply to Office Action

In reply to the Office Action dated December 18, 2002, applicants hereby amend the above-identified patent application as follows:

In the Claims

Please amend claims 1, 2, 4, 5, 7, 16, 21, 31, 32 and 33 as follows:

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1. (Twice Amended) In combination in a data processing system for implementing a structured trading environment for transacting the purchase and sale of select items having a predetermined set of characteristics wherein said data processing system is operated by a plurality of trading participants through a communication platform to permit exchanging offers and bids and for receiving select participant trade commands relating to said items, comprising:

e! a plurality of workstations comprising a display means for presenting to a participant information about pending market conditions as they relate to said items being traded and bids and offers entered by other participants in regard to said items; and

a server, in communication with said workstations, programmed to support a predetermined trading control logic wherein said trading control logic comprises a protocol of trade sequences initiated from a bid/offer state by a participant hit or lift trade command wherein said protocol is directed to execute trade commands from said participants in a predefined way corresponding to a plurality of trade states defining the ability of various participants to participate in trading activity,

wherein said trade states include a state whereby the trading control logic, in response to detecting that an aggressor participant's hit or lift trade command would

e1  
execute a trade in excess of what the aggressor participant may have intended, automatically enables the aggressor participant to decline, prior to execution, at least a portion of only the excess part of the trade.

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e2  
2. (Amended) The trading system of claim 1 wherein said protocol is defined by a stored program comprising a logic structure that defines conditions where the aggressor participant may initiate a trade and conditions where passive participants may enter bid or offer commands to participate in the trade.

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e3  
4. (Twice Amended) The trading system of claim 1 wherein said trade states further include a Workup State whereby the trading control logic, in response to an aggressor participant's hit or lift of the entire volume represented by one or more passive participants' bids or offers at a trade price, enables the aggressor participant and the first-in-time of the passive participants to trade with each other additional volume of the item at said trade price to the exclusion of another participant desiring to trade.

5. (Twice Amended) The trading system of claim 4 wherein said trade states further include a When State whereby the trading control logic, if a first participant has entered a bid and a second participant has entered an offer, inhibits execution of a hit or lift trade command subsequently entered by a third participant to allow a period of time for the first and second participants to transact a trade with each other by one of them entering a hit or lift trade command.

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b4  
7. (Twice Amended) The trading system of claim 1 wherein said trade states further include a Workdown State whereby the trading control logic, in response to an aggressor participant's hit or lift of less than the entire volume presented by one or more passive participants' bids or offers at a trade price, enables a second aggressor to hit or lift remaining untraded volume at the trade price.

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b5  
16. (Amended) A computer trading system for use by multiple participants, wherein at least two of the participants each operates a custom designed keypad for data entry and receives information about market conditions from a display, the system comprising:

a data processor with associated data storage for providing a trading protocol that establishes trading hierarchy among participants;

wherein said keypad includes a plurality of trade execute keys, said keys programmed to be individually assigned to a particular security available for trading; and

said display presents to the participants price and size information for pending offers and bids for at least one of the particular securities available for trading.

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b6  
21. (Amended) The trading system of claim 16 wherein said display means presents information on trade transactions and participant access is contingent on a system trading state.

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b7  
31. (Amended) In combination in a data processing system for implementing a structured trading environment for transacting the purchase and sale of select items having a predetermined set of characteristics wherein

said data processing system is operated by a plurality of trading participants through a communication platform to permit exchanging offers and bids and for receiving select participant trade commands relating to said items, comprising:

a plurality of workstations, each comprising a display means for presenting to a participant information about pending market conditions as they relate to said items being traded and bids and offers entered by other participants in regard to said items; and

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a server, in communication with said workstations, programmed to support a predetermined trading control logic wherein said trading control logic comprises a protocol of trade sequences initiated from a bid/offer state by a participant hit or lift trade command wherein said protocol is directed to execute trade commands from said participants in a predefined way corresponding to a plurality of trade states defining the ability of various participants to participate in trading activity, wherein:

at least one of said states enables first and second participants to trade a desired volume of an item with one another at a defined price, to the exclusion of a third participant desiring to participate in the trading, until the occurrence of a predefined event and, upon the occurrence of said event, enables the third participant to trade with said first or second participants an additional volume of the item at said price without being able to exclude others from also participating in trading at the defined price.

32. (Amended) In combination in a data processing system for implementing a structured trading environment for transacting the purchase and sale of select items having a predetermined set of characteristics wherein said data processing system is operated by a plurality of

trading participants through a communication platform to permit exchanging positions regarding offers and bids and for receiving select participant trade commands relating to said items, comprising:

a plurality of workstations, each comprising a display means for presenting to a participant information about pending market conditions as they relate to said items being traded and bids and offers entered by other participants in regard to said items; and

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Carter*  
a server, in communication with said workstations, programmed to support a predetermined trading control logic wherein said trading control logic comprises a protocol of trade sequences initiated from a bid/offer state by a participant hit or lift trade command wherein said protocol is directed to implement trade commands from said participants in a predefined way corresponding to the development of a plurality of trade specific states defining the ability of various participants to participate in said trading activity, wherein:

at least one of said states is a workup state in which (a) first and second participants are enabled, until the occurrence of a predefined event, to trade a desired volume of an item with one another at a defined price to the exclusion of a third participant who enters a trade command to trade an additional volume at said price and, (b) upon the occurrence of said event, the entered trade command of the third participant is automatically executed without enabling the third participant to exclude others from participating in trading more volume at said price.

33. (Amended) In combination in a data processing system for implementing a structured trading environment for transacting the purchase and sale of select items having a predetermined set of characteristics wherein said data processing system is operated by a plurality of

trading participants through a communication platform to permit exchanging positions regarding offers and bids and for receiving select participant trade commands relating to said items, comprising:

a plurality of workstations, each comprising a display means for presenting to a participant information about pending market conditions as they relate to said items being traded and bids and offers entered by other participants in regard to said items; and

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a server, in communication with said workstations, programmed to support a predetermined trading control logic wherein said trading control logic comprises a protocol of trade sequences initiated from a bid/offer state by a participant hit or lift trade command wherein said protocol is directed to implement trade commands from said participants in a predefined way corresponding to the development of a plurality of trade specific states defining the ability of various participants to participate in said trading activity, wherein:

at least one of said states enables a participant, in response to entry by said participant of a hit or lift trade command within a predetermined period of time following entry by another participant of a bid or offer command with respect to an item, to refuse or proceed with trading the item.

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Please add new claims 34-37 as follows:

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-- 34. (New) The trading system of claim 1, wherein said trading control logic in response to the hit or lift command automatically executes that part of the trade which is not in excess of what the aggressor participant may have intended.

-- 35. (New) The trading system of claim 4 wherein the other participant is precluded from transacting